

THE FINANCIAL SITUATION.

At the close of last week the market for securities presented unmistakable indications that two or three important interests had decided to endeavor to stimulate public interest in the current speculation. The movement was most pronounced in Southern Pacific, Union Pacific, Atchison, St. Paul and the United States Steel stocks. Considerable interest was also developed in the shares of the companies comprising the Gould system and in those included in the anthracite coal group. The stocks that have been named furnish distinct clues to the interests that have taken the market in hand. They have been successful in advancing prices thus far because the stocks that were thrown over last month in consequence of the steel strike and the alarm created by damage to the corn crop appear to have been absorbed much more readily than is usually the case after such a decided reaction as that which took place last month.

The reason for this is without doubt the great increase in the wealth of the country, together with confidence that the prosperity of the last two or three years has not yet run its course. Other important considerations that have unquestionably influenced certain banking interests and operators to engage in a bull campaign at this time are the ease of the money market and prospects that it will continue so far as some time to come, satisfactory railway returns, considerable improvement in the crop situation and indications that the steel strike will collapse presently. The failure of this last movement will not only settle for a long time to come the issue that the Amalgamated Association of Iron, Steel and Tin Workers originally raised, but will enable employers hereafter to exact from labor organizations substantial guarantees that they will fulfill the contracts which they make in behalf of their members.

It is possible that the present improvement in the stock market foreshadows further developments in the "community of interests" programme to which all of the larger bankers and capitalists interested in the transportation industry are committed. Reports were current at the end of the week of great progress in the direction indicated. Intimations are made in a number of quarters that the adjustment of permanent relations between the Great Northern-Northern Pacific-Burlington systems on the one side and the Union Pacific-Southern Pacific and Chicago and Alton on the other were not completed when significant changes were recently made in the directorate of the Northern Pacific Railway Company. To what extent the resourceful and ingenious managers of these six great properties will carry their plans for solidifying the railway situation in the Western half of the United States no one who does not enjoy their confidence can venture to predict. The statement can be safely made, however, that the work of combining and of establishing alliances between the important railway systems of the West has not yet been completed.

Simultaneously with the unification of the steam railroads throughout the country even more rapid work is being done in the same direction by those who are active in developing electric railways. A comparatively brief reference was made to this subject in this column two weeks ago. Since then announcement has been made of the comprehensive plans of a Cleveland syndicate for extending trolley lines into the territory adjacent to that city, and also for the construction of an extensive system in southern Michigan, which will also be operated by electricity. Seven companies operating in Worcester, Mass., and extending to fifteen cities and towns in eastern Massachusetts have been brought into a single system operating nearly 196 miles of road. As indicating the extent to which electric passenger service develops traffic, it is to be noted that in the five years ending Dec. 31, 1900, the Worcester Consolidated Street Railway Company increased its traffic 60 per cent.

Probably few persons except those who are directly interested in the development of electric railways realize the magnitude of the more important systems that are now being operated in this country. The largest is that of the Massachusetts Electric Companies, which operate 776 miles in Eastern Massachusetts, having acquired control of thirty-six separate corporations. The Brooklyn Rapid Transit system consists of 522 miles of road. Next in order is the Chicago Union Traction Company with 486 miles of track. The Union Traction Company of Philadelphia operates 448 miles, the Metropolitan Street Railway of this city, including the Third avenue system, 428 miles, and the West End Company of Boston 370 miles. These systems not only furnish transportation in the cities named in their titles, but also transact a larger interurban business. They also handle considerable express and mail business and freight of the higher class.

The traffic of these systems outside of the larger centres of the population has been developed by the now well-established fact that trolley roads induce or create new patronage. Their importance as feeders to steam railroads has been demonstrated to an extent that has led at least two of the larger railroad systems, namely, the Pennsylvania and the New York, New Haven and Hartford companies, to invest in them and promote their construction. The steam railroads have also shown their appreciation of trolley lines as promoters of traffic by supplying their patrons with time tables of the various electric roads running from points on their lines. A new system of roads, the development of which will doubtless be watched with great interest, is one just projected by the General Electric Company from Schenectady to Albany, to Troy and to other points. As it will be built and operated by the largest manufacturer of electric apparatus in the world, it will doubtless be equipped with the latest and most efficient appliances that can be devised by the experts and inventors employed by the General Electric Company. Still another important system has been undertaken with Utica, N. Y., as a centre, the scope of the company apparently being to graduate central New York with a system of trolley lines by utilizing existing roads and constructing new ones.

In view of this enormous and comparatively recent growth of electric railways the effect upon the traffic of steam railroad systems becomes most interesting. There is no lack of evidence that the older and more primitive means of communication do not suffer seriously or permanently by the increase in the new method of transportation. Perhaps the clearest demonstration can be found in Massachusetts, in which, in this way, the mileage of electric railroads is larger than in any other State in the Union. In the ten years ending 1900 the mileage of electric railways in that State increased 100 per cent and the passenger traffic of the lines 123 per cent. Within the same period the passenger traffic of the steam railroads increased 96-10 per cent and the mileage only 10 per cent. American classifications may be found more easily in the offices upon old surface roads of this city of the construction of the elevated roads. The first named suffered severely, but as soon as the Metropolitan

Street Railway Company took hold of the surface situation and changed the motive power on the horse car lines the business lost not only returned, but new traffic was developed to an extent that would have seemed incredible had it been predicted when the work was first undertaken.

There will doubtless be a return flow of traffic to the elevated roads as soon as they begin to operate with electric power, but without doubt the two systems will develop enough new business which, with the increase in population, will prevent the surface system from suffering by the change. These and other examples seem fully to warrant the conclusion reached by a member of the American Society of Civil Engineers, who has given the subject much time and careful study, "that competition does not take place to the traffic usually believed, while an induced traffic is created by low fares, frequent, quick and leave-at-your-door service, rendered possible by the physical characteristics and operational methods of the electric road."

G. T. C.

FINANCIAL AND COMMERCIAL.

UNITED STATES AND STATE BONDS.

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Sales Name Date \$100 \$105 \$100 \$105

14000 U.S. 4s... 10% 10% 10% 10%

2000 Louis 4s... 10% 10% 10% 10%

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RAILROAD AND OTHER BONDS (IN \$1,000).

Open High Low Close

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